

CASAS RILEY & SIMONIAN, LLP

Valerie S. Higgins (Bar No. 238323)

vhiggins@legalteam.com

One First Street, Suite 2

Los Altos, CA 94022

Telephone: (650) 948-7200

Facsimile: (650) 948-7220

THE MAJORIE LAW FIRM LP

Francis B. Majorie (Tx. Bar No. 12851420)

fbmajorie@themajoriefirm.com

Douglas C. Prince (Tx. Bar No. 24026653)

dcprince@themajoriefirm.com

3514 Cedar Springs Road

Dallas, Texas 75219

Telephone: (214) 522-7400

Facsimile: (214) 522-7911

Attorneys for Plaintiffs, RVC Corporation and

Legato Development, LLC

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

RVC CORPORATION, a Colorado
Corporation and **LEGATO
DEVELOPMENT, L.L.C.**, a Delaware
Limited Liability Company.

Plaintiffs,

v.

ANHELO, L.L.C., a Delaware Limited
Liability Company and **CERRALVO, L.L.C.**,
a Delaware Limited Liability Company and
**CERRALVO DESARROADOR, S. de R.L.
de C.V.**, a Mexican Limited Liability
Company,

Defendants.

CASE NO. CV 08 0975 EMC

**PLAINTIFFS' ANSWER TO
COUNTERCLAIM**

Trial Date: Not Yet Set

Complaint Filed: February 15, 2008

Plaintiffs, RVC Corporation ("RVC") and Legato Development L.L.C.
("Legato")(collectively "Plaintiffs") hereby Answer the Counterclaim of Defendants AnheLO,
L.L.C. ("AnheLO") and Cerralvo, L.L.C. ("Cerralvo") (collectively "Defendants") and state:

FIRST DEFENSE

23. Answering Counterclaim paragraph 58, Plaintiffs admit the allegations therein.

24. Answering Counterclaim paragraph 59, Plaintiffs admit the allegations therein.

25. Answering Counterclaim paragraph 60, Plaintiffs admit the allegations therein.

26. Answering Counterclaim paragraph 61, Plaintiffs admit the allegations therein.

27. Answering Counterclaim paragraph 62, Plaintiffs admit the allegations therein.

28. Answering Counterclaim paragraph 63, Plaintiffs admit the allegations therein.

29. Answering Counterclaim paragraph 64, Plaintiffs admit the allegations therein.

30. Answering Counterclaim paragraph 65, Plaintiffs admit the allegations therein.

31. Answering Counterclaim paragraph 66, Plaintiffs admit that a letter dated November 11, 2006 was sent to Defendants requesting information and performance of various matters. Plaintiffs specifically deny that the November 11, 2006 request was contrary to the express terms of the Repurchase Option Agreement.

32. Answering Counterclaim paragraph 67, Plaintiffs admit that a communication dated November 14, 2006 was received from a representative of Plaintiff. Plaintiffs specifically deny the remaining allegations contained within paragraph 67 of Defendants' Counterclaim.

33. Answering Counterclaim paragraph 68, Plaintiffs specifically deny each and every allegation contained therein.

34. Answering Counterclaim paragraph 69, Plaintiffs specifically deny each and every allegation contained therein.

35. Answering Counterclaim paragraph 70, Plaintiffs incorporate by reference their admissions and denials as set forth in paragraphs 1 through and including 12 herein.

36. Answering Counterclaim paragraph 71, Plaintiffs admit that a controversy exists by and between Plaintiffs and Defendants concerning rights, duties and obligations under the Purchase

1 Agreement and Repurchase Option contained therein. Plaintiffs specifically deny each and every
2 remaining allegation contained within paragraph 71 of the Counterclaim.

3 **FIRST AFFIRMATIVE DEFENSE**

4 37. Defendants' Counterclaim and claim for relief fails to state a claim or cause of action
5 upon which relief can be granted.
6

7 **SECOND AFFIRMATIVE DEFENSE**

8 38. Defendants' Counterclaim and claim for relief is barred by Defendants' unclean
9 hands.

10 **THIRD AFFIRMATIVE DEFENSE**

11 39. Defendants' Counterclaim and claim for relief is barred by doctrine of waiver.
12

13 **FOURTH AFFIRMATIVE DEFENSE**

14 40. Defendants' Counterclaim and claim for relief is barred by doctrine of estoppel.

15 **FIFTH AFFIRMATIVE DEFENSE**

16 41. Defendants' Counterclaim and claim for relief is barred by doctrine of laches.

17 **SIXTH AFFIRMATIVE DEFENSE**

18 42. Any and all alleged obligations of Plaintiff to perform under the Repurchase Option
19 were excused or otherwise suspended as a result of Defendants' material breach of the contract, by
20 Defendants' prevention of performance and/or Defendants' frustration of the object, effect and
21 purpose of the contract.
22

23 **SEVENTH AFFIRMATIVE DEFENSE**

24 43. Not being able to anticipate all applicable affirmative defenses, Plaintiffs reserve the
25 right, with leave of this Court, to assert any and all applicable affirmative defenses.
26
27
28

PRAYER

44. **Wherefore**, having answered Defendants' Counterclaim, RVC and Legato pray that Defendants' Counterclaim be dismissed and that judgment on the same be entered in Plaintiffs' favor, that Plaintiffs be awarded their attorney fees and costs and any additional relief to which Plaintiffs are entitled and the Court deem just and proper.

DATED: April 21, 2008

CASAS RILEY & SIMONIAN, LLP

By: /s/ Valerie S. Higgins
VALERIE S. HIGGINS (Bar No. 238323)
One First Street, Suite 2
Los Altos, CA 94022
vhiggins@legalteam.com

Attorneys for Plaintiffs RVC CORPORATION and
LEGATO DEVELOPMENT, L.L.C.

THE MAJORIE LAW FIRM LP

By: /s/ Douglas C. Prince
DOUGLAS C. PRINCE (Tx. Bar No. 24026653)
3514 Cedar Springs Road
Dallas, Texas 75219
Telephone: (214) 522-7400
Facsimile: (214) 522-7911
dcprince@themajoriefirm.com

Attorneys for Plaintiffs, RVC Corporation and
Legato Development, LLC

CERTIFICATE OF SERVICE

I hereby certify that on April 21, 2008, a copy of the foregoing Motion to Substitute was filed electronically. Notice of this filing will be sent by operation of the Court's electronic filing system to all parties indicated on the electronic filing receipt. All other parties will be served by regular U.S. Mail. Parties may access this filing through the Court's system.

/s/ Douglas C. Prince

Douglas C. Prince

Texas Bar No. 24026653

dcprince@themajoriefirm.com

3514 Cedar Springs Road

Dallas, Texas 75219

(214) 522-7400 (Telephone)

(214) 522-7911 (Fax)